

**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF INSURANCE**

**AGENT LICENSING DIVISION**

*Treva W. Donnell, Director*

**LIFE SETTLEMENT BROKER**

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**This document is for general information purposes only. It does not amend or precede provisions of the Kentucky Revised Statutes or Administrative Regulations. For more complete information, refer to the Kentucky Insurance Code.**

## **GENERAL INFORMATION**

Life Settlement is the policy owner's sale of the life insurance benefits to an investor for less than the policy's expected death benefit and before the insured's death. Some terminally ill or older insureds are willing to sell their policies to pay for medical care or other needs; and some other policy owners are willing to sell their policies because the individual, the family, or the business associates no longer need the financial security the policy offers. In addition, certain investors are willing to buy these life insurance policies and pay the future premiums with the expectation of getting a good return on a relatively short-term investment.

This business of investors buying life insurance policies from policyholders is available in the market under names such as senior settlements, life settlements, and secondary markets for life insurance. But regardless of what names are used, these transactions are regulated in Kentucky as life settlements. Further, the persons assisting the policy owners with the life transactions (brokers) and the persons purchasing the life insurance policies (providers) are required to be licensed by the Department of Insurance.

**"Life Settlement Broker"** means an individual or business entity who, for a fee, commission, or other valuable consideration, offers or advertises the availability of life settlements, introduces a viator to life settlement providers, or offers or attempts to negotiate life settlements between a viator and one or more life settlement providers.

**Exceptions** – Life settlement broker does not include the following who is retained to represent the viator and whose compensation is not paid by the life settlement provider:

- Attorney,
- Certified public accountant, or
- Financial planner.

**"Life Settlement Provider"** means an individual or business entity that purchases the death benefits from the viator for less than the expected death benefits. (The licensing of life settlement providers is addressed in a separate information summary.)

**Exceptions** – Life settlement provider does not include the following:

- Lending institution that takes an assignment of a policy as collateral for a loan, or
- Issuer of a policy that provides accelerated benefits, or
- Individual who does not enter into more than one life settlement agreement in a calendar year, or
- Related provider trust, or
- An authorized or eligible insurer that provides stop-loss coverage to a life settlement provider, financing entity, special purpose entity, or related provider trust, or
- A special purpose entity, or
- An accredited investor or qualified institutional buyer who acquires a viaticated policy from a life settlement provider.

**“Viator”** means a resident of the commonwealth who is the owner of a policy or a certificate holder under a group policy who enters or seeks to enter into a life settlement contract. A viator shall not be limited to an owner of a life insurance policy or a certificate holder under a group policy insuring the life of an individual with a terminal or chronic illness or condition except where specifically addressed. If there is more than one (1) viator on a single policy and the viators are residents of different states, the transaction shall be governed by the law of the state in which the viator having the largest percentage of ownership resides or, if the viators hold equal ownership, the state of residence of one (1) viator agreed upon in writing by all viators. "Viator" does not include the following **exceptions**:

- (a) A licensed life settlement provider;
- (b) An accredited investor or qualified institutional buyer as defined respectively in Regulation D, Rule 501 or Rule 144A of the Federal Securities Act of 1933 as amended;
- (c) A financing entity;
- (d) A special purpose entity;
- (e) A related provider trust.

**“Viaticated policy”** means a policy that has been acquired by a life settlement provider pursuant to a life settlement contract.

**Statutory Responsibilities and Duties of Life Settlement Broker and Life Settlement Provider** – Specific requirements and restrictions for life settlement brokers and life settlement providers are set out in KRS 304.15-020, 304.15-700 through 304.15-725, 806 KAR 9:310, 806 KAR 9:320, and 806 KAR 15:050. The licensee should refer to these parts of the Kentucky Insurance Code for details relating to standards for life settlement contracts and other forms, required reports, advertising, general rules, and prohibited practices with respect to life settlement transactions. Licensed life settlement brokers and life settlement providers will be held to compliance with these statutes and administrative regulations as well as to all other applicable provisions in the Insurance Code.

**Note:** Information about the filing of life settlement forms and contracts required by KRS 304.15-700 to get a license and conduct life settlement transactions is available from the Health and Life Insurance Division through the Department’s Web site at <http://insurance.ky.gov>

## **WARNINGS**

**Notice of Action Against License** – Every licensee must notify the Department in writing within 30 days of initiation of

- **Disciplinary action** taken by any jurisdiction against the license or any other professional license; or
- **Criminal action** taken by any jurisdiction against the licensee.

**Address Change or Name Change** – Every licensee must notify the Department of any change in residence address, business address, or legal name within 30 days of the change. Agents, individual or business entity, surplus lines brokers, rental vehicle agents and managing employees, specialty credit producers and managing employees, reinsurance intermediary brokers, and reinsurance intermediary managers are subject to a penalty up to \$1,000 for failure to do so. Adjusters, administrators, life settlement brokers, life settlement providers, and consultants are subject to a penalty up to \$2,000 for failure to do so.

**Address changes and name changes** should be submitted through eServices secure account by clicking on eServices at <http://insurance.ky.gov> to set up a password protected account. (Moving from Kentucky to another state may require surrendering the resident license and applying for non-resident license. Also moving to Kentucky from another state may require surrendering the non-resident license and applying for a Kentucky resident license.)

**Name changes for business entities** should also be submitted through eServices, and resident licensee's changes will be verified on the Kentucky Secretary of State's Office web site.

**Corrected License Certificate** – Insurance law requires the license certificate contain the licensee's name, and city and state of principal place of business address. When this information is changed, the Department will mail a new license certificate to the licensee.

**Change of Home State** – A non-resident licensee who changes his or her home state to a state other than Kentucky must file a change of address **Form 8303** and provide a certification letter from the new home state within 30 days of the change. No fee or license application is required.

## MISCELLANEOUS INFORMATION

**Notice of Commissioner's Order** – Every licensee is deemed to have received any notice or order of the Commissioner mailed to the licensee's address on file with the Department.

**Licensee's Office Open to Public** – If Kentucky is the home state, the licensee is required to have and maintain an office in Kentucky that is accessible to the public, and that is the place where the licensee principally conducts transactions under the license. This requirement does not prohibit the licensee from maintaining this office in the office of an insurer, in the office of the employer, or in the home of the licensee. (Kentucky is the home state if the licensee has a Kentucky resident license or has a Kentucky principal place of business and does not hold a resident license in another state.)

**Display of License and Retention of Records** –The license of all licensees must be conspicuously displayed in each Kentucky place of business in a part customarily open to the public. In addition, complete records of transactions under the license must be kept at the place of business for at least 5 years after completion of the purpose for which it was created. [KRS 304.9-390 and 806 KAR 2:070]

**Service of Process** – All non-resident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State to receive service of process in any court action against the licensee arising out of transactions under the Kentucky license.

**Designations** – A licensed business entity can only exercise its license through a designated licensed and appointed individual. Each designated individual has to hold the same kind of license as the business entity and, if the business entity license has lines of authority, have at least one of the same lines of authority. Further, the designated individual may only exercise the business entity license for the lines of authority held in common by both the business entity and the individual.

(For example, a business entity agent is like a building: it cannot operate unless there is an individual to sell the policies and an insurance company to issue the policies. So, **the business**

**entity agent must designate individual licensed agents and have appointments with insurers.** Likewise, **the individual agent must have at least one appointment** of his or her own with an insurer.)

Each licensed business entity must file with the Department

- **Form 8305 – Notice of the designation** of an individual within 30 days of the designation or termination of the designation; and
- **Annual report** by January 31, each odd year, of all designated individuals whose designations are not terminated prior to January 1. (The Department will provide the format to be used for this report.)

**Certification / Clearance Letter from Kentucky Department of Insurance** – If an applicant for a license in another state holds or has held a Kentucky resident license, the other state may require a letter from the Kentucky Department of Insurance. A certification letter states that the license is active and in good standing in Kentucky (needed to license a Kentucky resident licensee as a non-resident licensee in another state). A clearance letter states that the former licensee was in good standing at the time the Kentucky license terminated (needed to license a former Kentucky resident licensee as a resident licensee in another state). Kentucky has combined these two letters:

- If the license is active, the letter will serve as a certification letter for the current license activity; and
- If the license is no longer active, the letter will indicate the last date of license and the date it became inactive, thus serving as a clearance letter.

Each letter must be requested online at <http://insurance.ky.gov>, click eServices, set up a password-protected account, and complete the Certification/Clearance Letter Request Form. Complete the request and indicate the mailing address where letter is to be sent. Fees may be paid by credit or debit card online. Fee is \$5 for each letter requested.

**Certification / Clearance Letters to Kentucky Department of Insurance** – Kentucky no longer requires a letter (only verification through the NAIC Producer Database) from the other state if the applicant for a Kentucky license holds or has held a resident license in the other state.

Request for Kentucky Non-resident License –

- Kentucky will verify electronically through NAIC Producer Database, that the non-resident applicant is licensed and in good standing in the resident state.
- A non-resident individual or business entity, which has a Kentucky non-resident license and changes its home state, must file eServices Record Correction **Form 8303**.

Request for Kentucky Resident License –

- Kentucky will verify electronically through NAIC Producer Database, that the non-resident applicant is no longer licensed in the other state.

**Purchase of Kentucky Insurance Code** – The Department of Insurance suggests that every licensee keep a copy of *Kentucky Insurance Laws and Regulations*. The Kentucky insurance code book can be purchased through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures. In the alternative, the licensee may access Kentucky's insurance laws and administrative regulations through the Legislative Research Commission Web site at <http://lrc.ky.gov> under "Legislative Resources."

**Forms and Additional Information** – Kentucky-specific applications and most other forms for all licensees are available through the Department's Web site at <http://insurance.ky.gov>. Also visit this Web site for verification of license status, continuing education credit, appointment, designations with business entities, etc. The Licensing Division is also available to provide information and answer questions through its e-mail address at [DOI.AgentLicensingMail@ky.gov](mailto:DOI.AgentLicensingMail@ky.gov) or by telephone at 502-564-6004.

## **INDIVIDUAL RESIDENT OR NON-RESIDENT LIFE SETTLEMENT BROKER**

The Kentucky Insurance Code provides for a life settlement broker license without distinguishing between a resident and a non-resident applicant.

**QUALIFICATIONS** – The applicant must

- Be at least 21 years old;
- Have completed a 40-hour life training program;
- Have passed a life examination;
- Be financially responsible to exercise the license; and
- Pay all applicable fees.

**APPLICATION** – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process the individual's application:

### **License Application Checklist**

- ☐ Individual License Application – **Form 8301** (completed in its entirety and attaching the appropriate information)
- ☐ Original Certification Letter from home state or verification through NAIC Producer Data Base, if non-resident
- ☐ Form CPL-01 Proof of completion of approved 40-hour life prelicensing training program
- ☐ Criminal background report from Administrative Office of the Courts (AOC) (obtain the report by filing **Form 8301-BGC** with the AOC; submit a copy of the report received with the application)
- ☐ Proof of financial responsibility filed by the insurer or financial institution directly with the Department in any one or more of the prescribed forms:
  - Errors & Omissions policy – **Form 99-1**
  - Letter of credit – **Form 99-2**
  - Surety bond – **Form 99-3**
- ☐ If using assumed name, copies of Certificate of Assumed Name filed with application for license and with each Kentucky County Clerk where the applicant intends to transact business

**FEES** – The applicant must remit the \$250 nonrefundable fee for a life settlement broker license. Also, the applicant must remit an additional \$50 for examination if an examination is required.

**CRIMINAL BACKGROUND CHECK** – Statutory changes require the Department to assume responsibility for investigating whether the individual applying for a resident license is trustworthy, reliable, and of good reputation before issuing the license. As part of that investigation, the individual must submit a current criminal background report with his or her completed license application. Each individual applicant must obtain the criminal background report from AOC by ordering online at: <http://courts.ky.gov/aoc/AOCFastCheck.htm>. The application will not be processed until the DOI receives the report from the Administrative Office of the Courts (AOC). Note that the background report from AOC is valid for 60 days. At the end of 60 days from the report issue date, a new report will be required if the license has not been issued. If you apply for a new license or line of authority, a new background check report is required.

**PRE-LICENSING TRAINING** – An applicant for a life settlement broker license must complete a 40-hour life course of study.

The pre-licensing course provider must provide a certification of completion using **Form CPL-01**, which is given to the student, and submitted electronically through eServices. The pre-licensing course and instructor, if applicable, must be prior approved by the Kentucky Department of Insurance.

**EXEMPTIONS FROM PRE-LICENSE TRAINING** – If the applicant holds an agent license with a line of authority for at least one (1) year prior to date of application, he or she is exempt from the prelicensing training course for life settlement broker.

**EXAMINATION** – The individual applying for a life settlement broker license must successfully pass a life settlement examination given by the commissioner or in accordance with provisions of an agreement the commissioner enters with another state. Therefore, the successful completion of a life exam in a state that has a reciprocal life exam agreement with Kentucky will satisfy this requirement.

**EXEMPTION FROM EXAMINATION** - If the applicant holds an agent license with a life line of authority for at least one (1) year prior to date of application, he or she is exempt from the examination required for life settlement broker.

After the Department has determined that the application and all necessary attachments are in order, the applicant will receive a notice to report for any required exams. The notice to report will be sent to his or her home address or designated mailing address. At that time, the individual must schedule an appointment for the examination(s) online after setting up a password protected account, by clicking on eServices at <http://insurance.ky.gov>, or by calling the Agent Licensing Division at 502-564-6004.

<p><b>ALL APPLICANTS MUST HAVE RECEIVED AN EXAM NOTICE OR VERIFY “PENDING EXAMINATION” STATUS ONLINE IN ORDER TO SCHEDULE AN EXAM. ALSO, ALL APPLICANTS MUST PROVIDE PHOTO IDENTIFICATION PRIOR TO BEING ADMITTED FOR ANY EXAMINATION.</b></p>
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The applicant has 120 days from the date of the license application to pass the exam. The applicant may not take the exam more than three times during this 120-day period. If the applicant takes an exam and does not pass it, the applicant must submit another \$50 for an exam retake, and schedule the next exam through their eServices account. The expiration date of the



application appears on the examination notice. The application will be denied if the applicant fails to pass the exam by the expiration date of the application.

**Please be advised that if an applicant schedules an appointment for an exam and fails to appear for the scheduled appointment, the applicant will be required to pay an additional retake fee and reschedule a new appointment.**

The applicant must have filed any required proof of financial responsibility in order to become licensed upon passing the exam. Current license status is posted immediately to the DOI Web site for verification of changes in that status, as they occur.

All passing exam scores are good for one year. After this one-year period, the applicant must submit all forms and fees, just like a first-time applicant, and take any required prelicensing training and examinations.

**FINANCIAL RESPONSIBILITY** – In order to be licensed to transact life settlements, the applicant will be required to have on file with the Department, and maintain while the license is in effect, proof of financial responsibility (legal liability) in the sum of not less than **\$20,000** per occurrence and **\$100,000** in the aggregate for all occurrences within one year. The insurer or the financial institution must file proof of financial responsibility directly with the Department on one or more of the following:

- Errors & Omissions policy issued by an authorized insurer on **Form 99-1**
- Letter of credit from a bank or other qualified financial institution on **Form 99-2**
- Surety bond issued by an authorized insurer on **Form 99-3**

**Loss of Financial Responsibility** – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being canceled, are set out in 806 KAR 9:210.

**APPOINTMENT** – N/A

**ADDITIONAL LINES OF AUTHORITY** – N/A

**LICENSE RENEWAL** – The license continues in force until expired, suspended, revoked, or otherwise terminated if the licensee renews the license by completing renewal online, meets continuing education requirements and provides proof of Continuing Education completion documentation, confirms certain other information in the Department's records, and pays the renewal fee as follows:

- \$250

License is renewed online at [www.nipr.com](http://www.nipr.com) or at <http://insurance.ky.gov> eService Account.

- **Renewal Notice** is mailed to the current address of record filed with the Department at least 30 days before the renewal deadline, and posted to the Web site simultaneously.
- **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov>. Click on eServices in the top right corner to access or create an account.



- **Renewal period** is based solely on the licensee's birth date.
- **Renewal deadline** is no later than the last day of the birth month in even numbered years if born in an even year, or odd numbered years if born in an odd year.

Individual license renewal is solely the responsibility of the licensee. **Each licensee must:**

- **Renew online** by verifying information on file, answering background questions and remitting any required non-refundable license renewal fee.
- **License is continuous and a new license certificate will not be issued at renewal.**

The licensee may verify license renewal and continuing education course credit on the Department's Web site at <http://insurance.ky.gov>.

**Failure to Renew License by Deadline** – If the Department does not receive the license renewal, continuing education course completion documentation, and any required fees within the 60 days after the deadline, the license will be automatically terminated as of the deadline. The licensee will be prohibited from transacting insurance business until the license is reinstated or reissued and there will be a gap in licensure.

However, if the licensee submits the license renewal, proof of continuing education compliance, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license will continue and there will be no gap in licensure.

**REISSUE OF TERMINATED LICENSE** – The former licensee will have one year (12 months) from his or her license termination date to re-qualify for the license without completing any required pre-licensing training course or passing any required examinations. However, the former licensee must still submit a license application through [www.nipr.com](http://www.nipr.com), and AOC background report, if applicable. Upon the expiration of the 12 months pre-licensing training, new application, and examination is required to have the license reissued.

**CONTINUING EDUCATION** – An individual licensed as a life settlement broker shall complete 24 hours of continuing education in accordance with KRS 304.9-295. Requirements must be met on or before the last day of the birth month for all individual licensees, in even numbered years if born in even year, or odd numbered years if born in odd year.

Of the 24 hours:

- **At least 3 hours must be directly related to life insurance,**
- **At least 3 hours must be directly related to life settlements,**
- **At least 3 hours must be directly related to ethics.**

Only courses approved by the Kentucky Department of Insurance will be accepted as approved credit hours. **Failure to meet the continuing education requirements by the last day of the birth month, odd or even year depending on the year of birth, will result in the automatic termination of the license.**

Please refer to the Department's Web site, KRS 304.9-295, and 806 KAR 9:220 or 806 KAR 9:310 for additional details related to continuing education, such as the list of the approved providers, how the credit hours should be filed and applied, forms to file, deadlines, and extensions.

**Non-Compliance with Continuing Education Requirements** – An agent's lines of authority requiring continuing education will automatically terminate if the agent fails to:

- Meet continuing education requirements by the last day of the birth month, or
- Verify with the Department of Insurance, the completion **and filing** of proof of course completion, within 60 days of the last day of the birth month.
- The same hours may be credited towards the individual's continuing education requirements for the life settlement broker license and the applicable agent license, if any.

The license will automatically terminate if the individual fails to comply with continuing education requirements and the original license certificate shall be promptly surrendered to the commissioner, Department of Insurance, without demand.

**REISSUE OF TERMINATED LICENSE** – The former licensee will have one year (12 months) from his or her license termination date to re-qualify for the license without completing any required precensing training course or passing any required examinations. However, the former licensee must still submit a new application through [www.nipr.com](http://www.nipr.com).

In addition to submitting a license application, additional documentation and applicable licensing fees are required if the license was terminated for:

- **Failure to meet continuing education requirements** - he former licensee must complete the delinquent hours of continuing education and have certificates of completion filed with the Department.
- **Failure to maintain financial responsibility** - he former licensee must obtain adequate financial responsibility and have the insurer or financial institution file the appropriate proof with the Department.

Note that there will be a gap in the license (and any appointments) from the date of the license termination until the date the license is reissued. During this gap, the licensee cannot exercise the license.

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## **BUSINESS ENTITY RESIDENT OR NON-RESIDENT LIFE SETTLEMENT BROKER**

The Kentucky Insurance Code provides for a life settlement broker license without distinguishing between a resident and a non-resident applicant.

**QUALIFICATIONS** – The applicant must:

- Have only individuals acting under the business entity's license who are
  - Designated in the business entity application, and
  - Licensed as individual life settlement brokers;
- Be financially responsible to exercise the license; and
- Pay all applicable fees.

**APPLICATION** – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process

the business entity's application:

- ☐ Life Settlement Broker/Provider Business Entity License Application – **Form 8301-BE** (completed in its entirety and attaching the appropriate information)
- ☐ Kentucky will verify licensure through the NAIC Producer DataBase, if non-resident or submit certification letter from resident or home state
- ☐ List of all individuals to act under business entity license, by filing Form 8305
- ☐ For each individual to act under business entity license
  - Life Settlement Broker/Provider License Application – **Form 8301** OR
  - Identification number for Kentucky life settlement broker license
- ☐ Proof of financial responsibility filed by the insurer or financial institution directly with the Department in any one or more of the prescribed forms:
  - Errors & Omissions policy – **Form 99-1**
  - Letter of credit – **Form 99-2**
  - Surety bond – **Form 99-3**
- ☐ Document demonstrating authority to do business in Kentucky, as applicable

**FEES** – The applicant must remit the \$750 nonrefundable fee for a life settlement broker license.

**PRELICENSING TRAINING** – N/A

**EXAMINATION** – N/A

**FINANCIAL RESPONSIBILITY** – In order to be licensed to transact life settlements, the applicant will be required to have on file with the Department, and maintain while the license is in effect, proof of financial responsibility in the sum of not less than **\$20,000** per occurrence and **\$100,000** in the aggregate for all occurrences within one year. The insurer or the financial institution must file proof of financial responsibility directly with the Department on one or more of the following:

- Errors & Omissions policy issued by an authorized insurer on **Form 99-1**
- Letter of credit from a bank or other qualified financial institution on **Form 99-2**
- Surety bond issued by an authorized insurer on **Form 99-3**

**Loss of Financial Responsibility** – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being canceled, are set out in 806 KAR 9:210.

**APPOINTMENT** – N/A

**ADDITIONAL LINES OF AUTHORITY** – N/A

**LICENSE RENEWAL** – The license continues in force until expired, suspended, revoked, or otherwise terminated if the licensee renews the license online by verifying information on file, answering background questions and paying the renewal fee as follows:

- \$750

The renewal invoice and the payment of the license renewal fee stated on the renewal invoice are due from the business entity licensee **by March 31 in:**

- Odd-numbered years for a business entity licensed in an odd-numbered year, and

- Even-numbered years for a business entity licensed in an even-numbered year.  
(At least 30 days before the renewal deadline, the Department will send the licensee a renewal notice.)

License is renewed online at [www.nipr.com](http://www.nipr.com) or at <http://insurance.ky.gov>. Select eServices in upper right corner.

- **Renewal notice** is mailed to the current address of record filed with the Department of Insurance and posted to the Web site 6 months prior to the license expiration date.
- **Confirmation** of renewal information is on our Web site at <http://insurance.ky.gov>.
- **Renewal period** is based solely on the license date.
- **Renewal deadline** - License must be renewed no later than March 31 in even numbered year if licensed in an even year, or odd numbered years if licensed in an odd year.

The license renewal is solely the responsibility of the licensee. **Each licensee must:**

- **Renew online**
- **Remit** any required non-refundable license **renewal fee online.**
- **License is continuous and a new license certificate WILL NOT be issued at renewal.**

The licensee may check the Department's Web site to confirm that the Department has received the renewal and any required renewal fees.

**Failure to Renew License by Deadline** – If the Department does not receive the license renewal and any required fees by the deadline, the license will automatically expire as of the deadline. The licensee will be prohibited from transacting insurance business until the license is reissued and there will be a gap in licensure.

However, if the licensee submits the renewal, the **late renewal penalty payment** and any required renewal fees within 60 days after the deadline, the license will continue without the need for a new license application or other documentation.

If the license is not renewed within 60 days after the deadline, the license will be inactive retro to the renewal deadline. Note that there will be a gap in the license (and any appointments) from the inactive date until the date the Department receives and approves a new application. The former licensee must submit a new license application through [www.nipr.com](http://www.nipr.com) to have the license reissued. There will be a gap in licensure.

**CONTINUING EDUCATION – N/A**

## **AGENT LICENSING DIVISION**

### **GUIDELINES FOR PROCESSING LICENSING APPLICATIONS WITH NEGATIVE BACKGROUND INFORMATION APPROVAL / DENIAL/PROBATION**

#### **Initial Application**

1. Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?  
Yes\_\_\_\_\_ No\_\_\_\_\_

**“Crime” includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. “Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.**

**If you answer yes, you must attach to this application:**

- a) a written statement explaining the circumstances of each incident,**
- b) a copy of the charging document, and**
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.**

**If you have a felony conviction, have you applied for a waiver as required by 18 USC 1033?**

**N/A\_\_\_ Yes \_\_\_ No\_\_\_**

**If so, was that waiver granted? (Attach copy of 1033 waiver approved by home state.)**

**N/A\_\_\_ Yes\_\_\_ No\_\_\_**

### **Renewal Application**

- 1. Since the last home state renewal, have you been convicted of, or are you currently charged with, committing a crime, whether or not adjudication was withheld? Yes\_\_\_ No\_\_\_**

**Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. When all documentation is complete, the application goes to “review.” Details on what exactly is needed are as follows:**

- a written statement explaining the circumstances of each incident (Must be VERY detailed – complete explanation – not just three or four sentences.)**
- a copy of the charging document (police citation, indictment, warrant, or other court document you received when charges were made).**
- a copy of the official document which demonstrates the resolution of the charges or any final judgment (court document showing final judgment of conviction, diversion agreement, or final court order signed by judge).**
- If these documents are no longer available from the court office, then a letter must be submitted from that court office stating they have been destroyed, OR a computer printout from the court office that is “certified” by a court employee may be submitted in lieu of the original documents.**

### **Initial Application**

- 2. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company ever been involved in an administrative proceeding regarding any professional or occupational license, or registration?**

**Yes\_\_\_ No\_\_\_**

### **Renewal Application**

- 2. Since the last home state renewal, have you or any business in which you are or were an owner, partner, officer, or director ever been involved in an administrative proceeding regarding any professional or occupational license?**

**“Involved” means having a license censured, suspended, revoked, canceled, terminated; or being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. “Involved” also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.**

*If you answer yes, you must attach to this application:*

- a) a written statement identifying the type of license and explaining the circumstances of each incident,*
- b) a copy of the Notice of Hearing or other document that states the charges and allegations, and*
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment. (consent decree, agreed order, stipulation agreement, or letter from state issuing penalty)*

**Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After receiving all attachments, the application goes to “review.”**

### **Initial Application**

- 3. Has any demand been made or judgment rendered against you or any business in which you are or were an owner, partner, officer, or director, or member or manager of a limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Do not include personal bankruptcies, unless they involve funds held on behalf of others. Yes\_\_\_\_\_ No\_\_\_\_\_**

**If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type, date, and location of bankruptcy.**

Agent Licensing reviews all documentation on demand, judgment, or bankruptcy. The applicant is contacted if additional documentation is required for determination. If there is a bankruptcy other than personal, Agent Licensing requests that the “Discharge of Debtor” is attached to application with a brief explanation of reason for bankruptcy. Also, if the bankruptcy happened within the last 2 years, a list of creditors must be supplied. Agent Licensing accepts faxed copies.

**• NOTE relative bankruptcies:**

- Do not include personal debt such as credit cards, mortgages, hospital bills, automobile debts.
- This answer requires that you reveal business bankruptcies.

- 4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes\_\_\_\_\_ No\_\_\_\_\_**

**If you answer yes, identify the jurisdiction(s):\_\_\_\_\_**

According to KRS 304.9-440 (1)(o) and other applicable state law, the Department denies any applicant who has delinquent tax obligation that is not the subject of a repayment agreement in Kentucky. However, we will keep the application in a pending status for an extended period of time to allow applicant to contact Kentucky Revenue Cabinet and set up a repayment agreement.

It may be necessary to issue an agreed order of probation for the same period of time it takes to repay the obligation to the State. Once the agreed order is signed by the applicant and the commissioner, the application will be processed.

### **Initial Application**

5. Are you currently a party to, or have you ever been found liable in, any lawsuit, arbitration, or mediation proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes \_\_\_\_\_ No \_\_\_\_\_

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident, (*Written statement giving full details of each incident involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty.*)
- b) a copy of the petition, complaint or other document that commenced the lawsuit or arbitration, or mediation and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”

### **Initial Application**

6. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes \_\_\_\_\_ No \_\_\_\_\_

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- b) copies of all relevant documents.

Agent Licensing checks to make sure all of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”

### **Initial Application**

7. Do you have a child support obligation in arrearage? Yes \_\_\_\_\_ No \_\_\_\_\_

If you answer yes,

- a) by how many months are you in arrearage?
- b) are you currently subject to and in compliance with any repayment agreement?
- c) Are you the subject of a child support related subpoena warrant?  
(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)

Agent Licensing requires applicant to submit official documentation showing that child support payments are being made. This may be a computer printout from court-ordered overseer of the account, or a copy of pay stubs showing automatic withdrawal of child support payments.



## **NOTES:**

- Our primary goal is to process application without infractions and applications with legal background infractions that are not serious within one to two business days. The Division's business history indicates that most documents can be successfully processed within that timeframe.
- Any time a background infraction is disclosed, the review may require additional days to process. Based on the charges, the application may be pending review for several weeks, even several months. Occasionally, it is necessary to contact other attorneys or court offices to obtain all the information we need to make a fair judgment.
- A decision for application is never made by discussing background infractions by phone prior to application. All background infractions are reviewed individually, on a case-by-case basis.